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RETIRED
SAMUEL H. MASLON
1901-1988

February 11, 1993

RECORDATION NO. 15379 A
FILED 1425

FEB 17 1993 10-1 E AM

INTERSTATE COMMERCE COMMISSION

FEB 17 10 09 AM '93
NOTICE OF FILING

The Secretary
Interstate Commerce Commission
Washington D.C. 20423

Re: Minnesota Zephyr Limited - Debtor
First Bank National Association - Original Secured Party
Signal Bank, Inc. - Assignee of Secured Party's Interest
Our File No. 91-1212

Dear Secretary:

I have enclosed an original and one counterpart of the document described below to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is an Assignment of Note and Loan Documents, a secondary document, dated February 10, 1993 (the "Assignment").

The names and addresses of the primary parties to the document are as follows:

Debtor: Minnesota Zephyr Limited
601 North Main
Stillwater, Minnesota 55082

Secured Party/
Assignor: First Bank National Association
2383 University Avenue
St. Paul, Minnesota 55114

Assignee: Signal Bank, Inc.
1270 Yankee Doodle Road
Eagan, Minnesota 55121

Pursuant to the Assignment, First Bank National Association has assigned to Signal Bank, Inc., all of its right, title and interest in and to the Security Agreement and underlying security interest dated February 26, 1988, by and between Minnesota Zephyr Limited and First Bank National Association, which Security Agreement was

February 11, 1993
Page 2

previously filed with the Interstate Commerce Commission on March 4, 1988, as Document No. 15519.

The enclosed Assignment should be cross-indexed under the name of the Debtor - Minnesota Zephyr Limited.

The equipment covered by said Assignment is the same equipment described in the Security Agreement filed with the ICC on March 4, 1988, as Document No. 15519.

A fee of \$16.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Maslon Edelman Borman & Brand
3300 Norwest Center
Minneapolis, Minnesota 55402-4140
Attention: Brian J. Klein, Esq.

A short summary of the document to appear in the index is as follows:

"Assignment of Note and Loan Documents dated February 10, 1993, by and between, among others, Minnesota Zephyr Limited, as Debtor, First Bank National Association, as Secured Party/Assignor, and Signal Bank, Inc., as Assignee, pursuant to which, First Bank National Association has assigned to Signal Bank, Inc. all of its right, title and interest in and to that certain Security Agreement dated February 26, 1988, by and between Minnesota Zephyr Limited and First Bank National Association, which Security Agreement was filed of record with the ICC on March 4, 1988, as Document No. 15519."

Very truly yours,



Brian J. Klein,
Attorney for Signal Bank, Inc.

BJK/slf

Enclosures

cc: Mr. James Louwagie (w/o encl.)
Mr. David Paradeau (w/o encl.)
Ms. Melanie Isakson (w/o encl.)
Mr. Anthony Gleekel, Esq. (w/encl.)

Interstate Commerce Commission
Washington, D.C. 20423

2/17/93

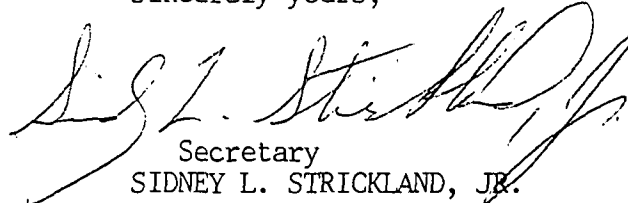
OFFICE OF THE SECRETARY

Brian J. Klein
MaslonEdelman Borman & Brand
3300 Norwest Center
Minneapolis, Minnesota 55402-4140

Dear **Sir**:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on **2/17/93** at **10:15am**, and assigned
recordation number(s). **15519-A**

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

FEB 17 1993 10:15 AM

ASSIGNMENT OF NOTE AND LOAN DOCUMENTS
INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, is made and entered into effective as of this 10th day of February, 1993, by and among FIRST BANK NATIONAL ASSOCIATION, a national banking association with its office at 120 South Sixth Street, Minneapolis, Minnesota 55480 ("First Bank"), MINNESOTA ZEPHYR LIMITED, a Minnesota corporation (the "Borrower"), DAVID L. PARADEAU (the "Guarantor"), MICHAEL J. GARRISON, PHILIP T. RESHA and RICHARD E. HIGGINS (collectively, the "Standby Creditors") and SIGNAL BANK, INC., a Minnesota corporation ("Signal Bank").

WITNESSETH:

WHEREAS, First Bank previously extended a \$350,000 loan to the Borrower (the "Loan") pursuant to that certain U.S Small Business Administration Authorization and Loan Agreement dated December 17, 1987, executed by the United States Small Business Administration (the "SBA") and the Borrower in favor of First Bank (the "SBA Authorization and Loan Agreement"), which loan is evidenced by that certain Promissory Note dated February 26, 1988 executed by the Borrower in the original principal amount of \$250,000 and payable to the order of First Bank, as amended by that certain Modification Agreement dated April 25, 1988, by and among the Borrower, the Guarantor and First Bank pursuant to which the principal amount of the Note was increased to \$350,000, and as further amended and modified by that certain Alonge Modifying Note on SBA Form 147 dated January 1, 1992, executed by and between First Bank and the Borrower (said Note as amended and modified shall hereinafter be collectively referred to as the "Note"); and

WHEREAS, the Note has been secured by that certain Security Agreement dated February 26, 1988 executed by the Borrower, as debtor, in favor of First Bank, as secured party, pursuant to which the Borrower granted First Bank a first priority security interest in and to all of its accounts, inventory, equipment (including, without limitation, that certain eight-unit train commonly known as the "Minnesota Zephyr",) general intangibles and any and all other personal property now or hereafter owned by the Borrower (the "Collateral"), which security agreement was amended by that certain Modification Agreement dated April 25, 1988, by and among the Borrower, the Guarantor and First Bank (the "First Amendment") (said Security Agreement as amended and modified by the First Amendment shall hereinafter be collectively referred to as the "Security Agreement"); and

WHEREAS, the Security Agreement was filed with the Interstate Commerce Commission on March 4, 1988 as Document No. 15519; and

WHEREAS, the payment of, among other things, 85% percent of the principal balance of the Note has been guaranteed by the SBA

pursuant to the SBA Authorization and Loan Agreement and that certain Guaranty Agreement dated November 9, 1978, as supplemented and amended by that certain Guaranty Agreement dated January 1, 1988 and that certain Guaranty Agreement dated January 1, 1990, each executed by and between the SBA and First Bank (collectively, the "SBA Guaranty"); and

WHEREAS, payment of the Note has been further guaranteed by the Guarantor pursuant to that certain Guaranty dated February 26, 1988 executed by the Guarantor in favor of First Bank, and amended by the First Amendment (collectively the "Paradeau Guaranty"); and

WHEREAS, payment of the Note has been further secured by that certain life insurance assignment dated September 10, 1992, executed by the Guarantor (the "Life Insurance Assignment"), granting a first assignment of and security interest to First Bank in and to \$200,000 of the proceeds of a \$500,000 policy of life insurance (Policy No. FK2087131) on the life of the Guarantor issued by Federal Kemper Life Assurance Company (the "Life Insurance Policy"); and

WHEREAS, Richard E. Higgins, the Guarantor, Phillip T. Resha and Michael J. Garrison have respectively executed and delivered to First Bank those certain Standby Agreements dated February 12, February 23, February 25, and March 3, 1988 (collectively, the "Standby Agreements"); and

WHEREAS, the Borrower has requested Signal Bank to purchase the Note, the Security Agreement, the SBA Guaranty, the Paradeau Guaranty, the Life Insurance Assignment, the Standby Agreements and any and all other instruments, agreements and documents related thereto (collectively, the "Loan Documents") from First Bank; and

WHEREAS, in connection with the foregoing, First Bank desires to sell and Signal Bank desires to purchase the Note and other related Loan Documents, all subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Purchase and Sale of Loan Documents. First Bank hereby agrees to sell to Signal Bank and Signal Bank hereby agrees to purchase from First Bank the Note and other related Loan Documents, without recourse, except for the express representations and warranties contained herein for a purchase price of \$143,358.39.
2. Representations and Warranties of First Bank. In connection with Signal Bank's purchase of the Loan

Documents, First Bank hereby represents and warrants to Signal Bank as follows:

- A. The outstanding principal and interest balances of the Note as of the date hereof is \$143,358.39 and \$-0- respectively;
- B. The Loan Documents constitute the entire agreements by and among First Bank, the Borrower, the Guarantor, the Standby Creditors and the SBA with respect to the Loan evidenced thereby and no other amendments, modifications, commitments, promises or agreements, oral or written with respect to any of said Loan Documents or by and among First Bank and any said parties otherwise exist as of the date hereof;
- C. None of the Loan Documents have been amended or modified except such amendments or modifications as expressly set forth in the recitals of this Agreement;
- D. First Bank has not executed any agreement or taken or failed to take any action which would act to release, in whole or in part, the SBA Guaranty, any of the Collateral or any of the parties to the Loan Documents from their obligations thereunder, or act to create a defense to the enforcement of said obligations; and
- E. To the best of First Bank's knowledge, no default nor any event or circumstance which with the giving of the notice or the passage of time or both would constitute a default, has occurred under the Loan Documents and is continuing as of the date hereof, except any defaults which may exist as a result of loans by Signal Bank to the Borrower.

Each of the foregoing representations and warranties shall survive the execution of this Agreement and delivery of the Note and other Loan Documents. First Bank agrees that from and after the date hereof it shall jointly and severally indemnify, defend and hold Signal Bank harmless from and against any losses, expenses, costs or damages arising from or incurred by Signal Bank by reason of any inaccuracy or violation of the foregoing representations and warranties, together with all costs and attorneys' fees incurred by Signal Bank in connection therewith, including, without limitation, in connection with the enforcement of such indemnity.

3. Original Loan Documents/Additional Documentation. On the date hereof, First Bank shall deliver to Signal Bank an executed original of the Note and an original of each of the other Loan Documents. With respect to the Note and without in any way limiting the representations, warranties and other obligations of First Bank expressly set forth in this Agreement, First Bank shall endorse the Note to Signal Bank using the following endorsement thereon: "Pay to the order of Signal Bank, Inc., without recourse." First Bank hereby agrees to execute and/or obtain such UCC-3 and other appropriate financing statements and such acknowledgements as may be necessary to transfer from First Bank to Signal Bank the security interest granted to First Bank in and to the Collateral under the Security Agreement and the assignment granted to First Bank in and to the Life Insurance Policy under the Life Insurance Assignment. First Bank, the Borrower and each of the Guarantors further agree that they shall execute and deliver any and all additional agreements and documents as may be necessary to effectuate the assignment of the Loan Documents to Signal Bank and to otherwise effect the purposes of this Agreement.
4. Representations of Borrower, Guarantor and Standby Creditors. The Borrower, the Guarantor and each of the Standby Creditors hereby represents and warrants as follows:
- A. Each and all of the representations and warranties set forth and contained in the Loan Documents to which it or he is a party are true, correct and complete in all respects as of the date hereof;
 - B. The indebtedness evidenced by the Note and the Loan Documents is outstanding as of the date hereof, and each of the Loan Documents are in full force and effect as of the date hereof in accordance with their original terms except such amendments and modifications expressly set forth in the recitals of this Agreement, and no event, conditions or circumstances have arisen or exist as of the date hereof which could give any of said parties the right to assert a defense, counterclaim and/or setoff to any claim by First Bank or Signal Bank for the payment of the amounts owing under the Note and the Loan Documents;
 - C. The security interest granted to First Bank in and to the Collateral pursuant to the Security Agreement constitutes a first perfected security interest in the Collateral, and said security interest continues in full force and effect as of the date hereof;

- D. The assignment granted to First Bank in and to the Life Insurance Policy pursuant to the Life Insurance Assignment constitutes a first perfected assignment in the Life Insurance Policy, and said assignment continues in full force and effect as of the date hereof;
 - E. No default, and no event, circumstance or condition which with the giving of notice or the passage of time or both would constitute a default, has occurred and is continuing as of the date hereof under the Loan Documents; and
 - F. All commitments, alleged commitments, promises, alleged promises, agreements and alleged agreements by or among the Borrower, the Guarantor, the Standby Creditors and First Bank and/or such parties and Signal Bank relating to the Loan and the Loan Documents are expressly set forth in the Note, the other Loan Documents and this Agreement and no other written or oral commitments, promises or agreements exist as of the date hereof, and no course of dealing or other action or statement of First Bank, Signal Bank or any of their respective officers, directors, agents, employees, legal counsel or other representatives shall have amended nor be deemed an amendment of, the Note and the Loan Documents.
5. Release. The Borrower, the Guarantor and the Standby Creditors each hereby releases First Bank, Signal Bank and each of their respective officers, directors, agents, employees, legal counsel and other representatives from any and all claims, demands, causes of action, liability, damage, loss, cost and expense which it has paid, incurred or sustained or believed it has paid, incurred or sustained, known or unknown, absolute or contingent, liquidated or unliquidated, as a result of or related to (a) the transactions evidenced by or related to this Agreement, the Note and the other Loan Documents, or (b) any acts or omissions of First Bank, Signal Bank or any of their respective officers, directors, agents, employees, legal counsel or other representatives in connection therewith or related thereto, or (c) the extension or denial of credit.
6. No Waiver. Borrower and the Guarantors each hereby acknowledge and agree that by executing and delivering this Agreement, neither First Bank nor Signal Bank is waiving any existing default, whether known or unknown, or any event, condition or circumstance, whether known or unknown, which with the giving of notice or the

passage of time or both would constitute a default, under the Loan Documents, nor is First Bank or Signal Bank waiving any of its rights or remedies under the Loan Documents.

7. Costs and Expenses. The Borrower shall pay all costs and expenses including, without limitation, attorneys' fees incurred by Signal Bank in connection with the preparation of this Agreement, the documents related hereto and the assignment transactions evidenced thereby.
8. Miscellaneous. This Agreement and any other documents relating hereto may not be amended or modified, nor may any of their terms be modified or waived, except by written instrument signed by parties hereto. This Agreement shall be binding upon and inure to the benefit of First Bank, Signal Bank, the Borrower and each of the Guarantors and their respective successors and permitted assigns, except that the Borrower, the Guarantor and the Standby Creditors may not transfer or sign any of their rights hereunder, under the Loan Documents or under any other agreement or document related thereto without the prior written consent of Signal Bank. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. This Agreement may be executed in any number of counterparts each of which when so executed and delivered shall be an original, but such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

FIRST BANK NATIONAL ASSOCIATION

By: Melanie A. Bakson
Its: Community Business Banker

SIGNAL BANK, INC.

By: James J. Korwazi
Its: Bank

MINNESOTA ZEPHYR LIMITED

By: [Signature]
Its: [Signature]

[Signature]
David L. Paradeau

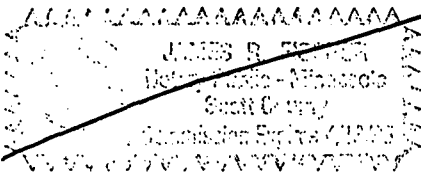
[Signature]
Michael J. Garrison

[Signature]
Philip T. Resha

[Signature]
Richard E. Higgins

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

The foregoing instrument was acknowledged before me this 12 day of May, 1993, by [Signature], the [Signature] of First Bank National Association, a national banking association, for and on behalf of said association.



[Signature]
Notary Public

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

The foregoing instrument was acknowledged before me this 12 day of May, 1993, by [Signature], the [Signature] of

MINNESOTA ZEPHYR LIMITED

By: _____
Its: _____

David L. Paradeau

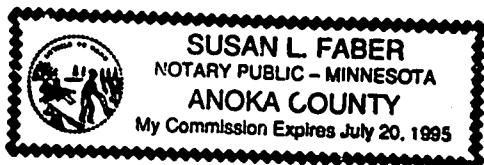
Michael J. Garrison

Philip T. Resha

Richard E. Higgins

STATE OF MINNESOTA)
) ss
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 17th
day of February, 1993, by Melanie A. Isakson, the Community Supervisor of
First Bank National Association, a national banking association,
for and on behalf of said association.



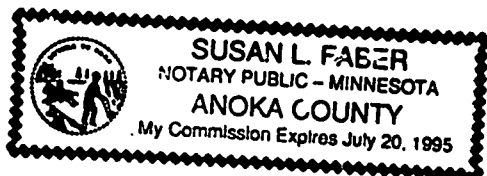
Susan L. Faber

Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF Hennepin)

The foregoing instrument was acknowledged before me this 10th
day of February, 1993, by James P. Loungie, the Assistant Secy of

Signal Bank, Inc., a Minnesota corporation, for and on behalf of said corporation.



Susan L. Faber
Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1993, by _____, the _____ of Minnesota Zephyr Limited, a Minnesota corporation, for and on behalf of said corporation.

Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1993, by David L. Paradeau.

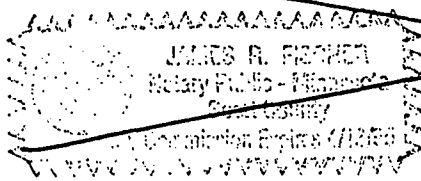
Notary Public

STATE OF MINNESOTA)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1993, by Michael J. Garrison.

Notary Public

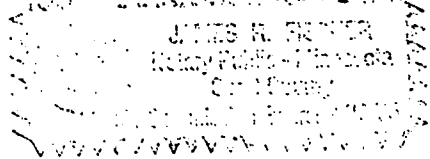
~~Signal Bank, Inc., a Minnesota corporation, for and on behalf of
said corporation.~~



~~Notary Public~~

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

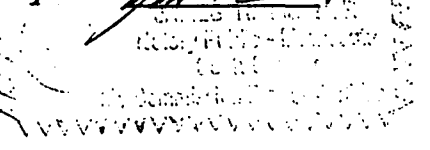
~~The foregoing instrument was acknowledged before me this
day of Apr 12, 1993, by David L. Paradeau, the President of
Minnesota Zephyr Limited, a Minnesota corporation, for and on
behalf of said corporation.~~



~~Notary Public~~

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

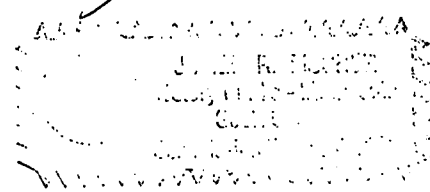
~~The foregoing instrument was acknowledged before me this
day of Apr 12, 1993, by David L. Paradeau.~~



~~Notary Public~~

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

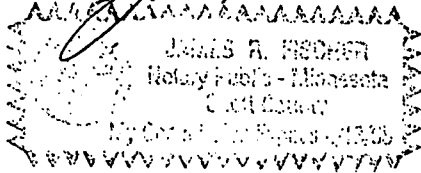
~~The foregoing instrument was acknowledged before me this
day of Apr 12, 1993, by Michael J. Garrison.~~



~~Notary Public~~

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

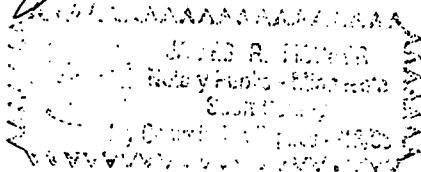
The foregoing instrument was acknowledged before me this ____
day of June, 1993, by Philip T. Resha.



James R. Fischer
Notary Public

STATE OF MINNESOTA)
COUNTY OF Hennepin) ss

The foregoing instrument was acknowledged before me this ____
day of June, 1993, by Richard E. Higgins.



James R. Fischer
Notary Public